

Relative to the Teachers' Retirement System (TRS).

New law defines the phrase "conduit individual retirement account" as an account covered by §408(a) of the U.S. Internal Revenue Code, provided the account only contains assets rolled over to the account as an eligible rollover distribution from a qualified plan, plus earnings on those assets, but does not contain any other assets.

New law defines the phrase "eligible rollover distribution" as the distribution of all or any part of the balance from a qualified plan. New law provides that an eligible rollover distribution does not include a distribution that is one of a series of substantially equal periodic payments, made not less frequently than annually, for the life, or life expectancy of the member or the joint lives, or joint life expectancies of the member and the member's designated beneficiary; or one that is for a specified period of 10 years or more; or one that is required by the provisions of §401(a)(9) of the U.S. Internal Revenue Code; or a distribution or any part thereof that is not includable in gross income.

New law defines the phrase "qualified plan" as a trust which is covered by the provisions of §401(a) of the U.S. Internal Revenue Code.

New law provides that a member may cause to be paid to the system an eligible rollover distribution from a qualified plan or conduit IRA for the purpose of purchasing creditable service as authorized by law and by the board of trustees, in the time and manner prescribed by the board of trustees.

New law retains existing law which provides that, to purchase service credit, there shall be paid into the system the greater of either: (1) an amount which, on an actuarial basis, totally offsets the resulting liability, or (2) the employee and employer contributions that would have been paid to the system, plus compounded interest.

Effective July 1, 1999.

(Adds R.S. 11:701(29), (30), and (31) and 739)